

STOCKHOLDERS' MEETING

Invitation

**We hereby give notice
of our Annual
Stockholders' Meeting
to be held
on Wednesday,
13 May 2015,
10:00 a.m. CEST at the
LANXESS arena,
Willy-Brandt-Platz 1,
50679 Cologne,
Germany**

I. Agenda

- 1. Submission of the approved annual financial statement and the adopted consolidated financial statement for the year ended 31 December 2014 with the consolidated management report for LANXESS Aktiengesellschaft and the group of companies, to include the notes to the information pursuant to Sections 289 (4) and (5) as well as Section 315 (4) of the German Commercial Code (HGB), as well as the presentation of the report of the Supervisory Board for the fiscal year 2014**

The Supervisory Board has approved the annual financial statement and the consolidated financial statement prepared by the Board of Management. The annual financial statement thus has been adopted pursuant to Sec. 172 (1) of the German Stock Corporation Act (AktG). Accordingly, there will be no adoption of a resolution by the Stockholder's Meeting.

- 2. Adoption of a resolution regarding the appropriation of the balance sheet profits**

The Board of Management and the Supervisory Board propose that the balance sheet profits of EURO 52,822,765.42 for the fiscal year 2014 be used as follows:

– Distribution of a dividend of EURO 0.50 per dividend-bearing no-par value share	EURO 45,761,468.00,
– Amount of profit carried forward	<u>EURO 7,061,297.42,</u>
Balance sheet profit total	EURO 52,822,765.42.

The amounts allocated to dividends and to profit carried forward have been calculated based on the number of dividend-bearing no-par value shares existing at the time when the allocation of profits was proposed by the Board of Management and the Supervisory Board. Should the number of dividend-bearing no-par value shares change by the date of the Annual Stockholders' Meeting, a motion for a resolution adapted as follows to such change shall be submitted to the Annual Stockholders' Meeting: the dividend per dividend-bearing no-par value share of EURO 0.50 remains unchanged. Insofar as the number of dividend-bearing no-par value shares and therefore the sum of dividends increases, the amount of profit carried forward shall decrease accordingly. Insofar as the number of dividend-bearing shares and therefore the sum of dividends decreases, the amount of profit carried forward shall increase accordingly.

- 3. Adoption of a resolution on the ratification of the actions of the members of the Board of Management**

The Board of Management and the Supervisory Board propose that formal approval be given to the actions of the members of the Board of Management in office during the fiscal year 2014 with respect to that fiscal year.

4. Adoption of a resolution on the ratification of the actions of the members of the Supervisory Board

The Board of Management and the Supervisory Board propose that formal approval be given to the actions of the members of the Supervisory Board in office during the fiscal year 2014 with respect to that fiscal year.

5. Appointment of the auditor

Upon recommendation of the Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, shall be appointed as

- a) auditor of the annual financial statements and the consolidated financial statement for fiscal year 2015, as well as
- b) auditor for the review of the abbreviated financial statements and the interim management report as contained in the half-year report 2015.

6. Appointment of the Supervisory Board

Upon closing of the Annual Stockholders' Meeting on 13 May 2015, the term in office of the following members of the Supervisory Board appointed at the ordinary Annual Stockholders' Meeting on 28 May 2010 ends: Dr. Friedrich Janssen, Mr. Robert J. Koehler, Mr. Rainer Laufs, Dr. Rolf Stomberg and Mr. Theo H. Walthie. The stockholder representative, Ms. Claudia Nemat, who was appointed until the end of the Annual Stockholders' Meeting which decides on the ratification of the Supervisory Board members for the fiscal year 2018, remains in office.

Pursuant to Sections 96 (1), 101 (1) of the German Stock Corporations Act (AktG), Sections 1 (1), 7 (1) Sentence 1 No. 1 and (2) No. 1 German Co-Determination Act (MitbestG) and Section 8 (1) of the Articles of Association, the Supervisory Board of LANXESS Aktiengesellschaft is composed of 12 members, six of which are elected by stockholders and six of which are elected by employees. A total of five members of the Supervisory Board are therefore to be elected by the Annual Stockholders' Meeting. The current election of the employee representatives to the Supervisory Board is held as scheduled and will presumably have been completed before the Annual Stockholders' Meeting.

The Supervisory Board proposes, based on the recommendations of the nomination committee of the Supervisory Board, to elect

a) Dr. Friedrich Janssen, Essen,

Former member of the Board of Management of E.ON Ruhrgas AG,

b) Lawrence A. Rosen, Bonn,

Member of the Board of Management of Deutsche Post AG,

- c) **Dr. Rolf Stomberg, Hamburg,**
Chairman of the Supervisory Board of LANXESS AG,
- d) **Theo H. Walthie, Pfaffikon, Switzerland,**
Independent consultant for the energy, chemicals and
biopharma industries,
- e) **Dr. Matthias L. Wolfgruber, Mühldorf a. Inn,**
Chairman of the Board of Management of ALTANA AG,

as stockholders' representative to the Supervisory Board with effect from closing of this Annual Stockholders' Meeting until the closing of the Annual Stockholders' Meeting that will adopt a resolution on the ratification of the actions of the members of the Supervisory Board for the fiscal year 2019.

After two terms in office Mr. Koehler and Mr. Laufs have declared that they are no longer available for the office. Apart from that, the nomination committee was guided by the aim to renew the Supervisory Board gradually in order to archive renewal while maintaining continuity. A larger number of female members was aimed, however could not be realized due to various reasons. In case that a subsequent appointment becomes necessary, the aspect of gender balance will be taken into account.

The Annual Stockholders' Meeting is not bound to nomination proposals. The intention is to hold individual elections to the Supervisory Board in accordance with the German Corporate Governance Code. It is planned that Dr. Rolf Stomberg be proposed as a candidate for Chairman of the Supervisory Board, if he is reappointed.

Information pursuant to Section 125 (1) Sentence 5 AktG

The shareholder representatives proposed for appointment to the Supervisory Board are members of another legally stipulated Supervisory Board at the companies listed under a) as well as members of a comparable domestic or foreign supervisory body of commercial enterprises listed under b).

Dr. Friedrich Janssen

- a) National-Bank AG
LANXESS Deutschland GmbH
HanseWerk AG
Avacon AG
- b) Hoberg & Driesch GmbH (Chairman of the Advisory Committee)
Thüga Assekuranz Services München Versicherungsmakler GmbH

Lawrence A. Rosen

- a) Deutsche Postbank AG
- b) Qiagen N.V., The Netherlands

Dr. Rolf Stomberg

- a) Biesterfeld AG (Vice Chairman)
LANXESS Deutschland GmbH (Chairman)
- b) HOYER GmbH
KEMNA Bau Andreae GmbH & Co. KG
OAO Severstal, Russia

Theo H. Walthie

- a) LANXESS Deutschland GmbH
- b) NBE Therapeutics AG, Switzerland (Chairman of the Board of Directors)

Dr. Matthias Wolfgruber

- a) BYK-Chemie GmbH (Chairman)
ECKART GmbH (Chairman)
Grillo Werke AG
- b) ARDEX GmbH (Chairman of the Advisory Committee from 1 April 2015)
Cabot Corporation, USA
ELANTAS Beck India Ltd., India (Chairman of the Board of Directors)

The candidates' resumes are available on the company's website at **www.stockholdersmeeting.lanxess.com**.

Information on Clause 5.4.1 (4) to (6) of the German Corporate Governance Code

Apart from the fact that Dr. Friedrich Janssen, Dr. Rolf Stomberg and Mr. Theo H. Walthie are already members of the Supervisory Board of the company and the Supervisory Board of its subsidiary, LANXESS Deutschland GmbH, in the opinion of the Supervisory Board there are no personal or business relationships in the meaning of Clause 5.4.1 (4) to (6) of the German Corporate Governance Code between the proposed candidates and the LANXESS Aktiengesellschaft, its group companies, the bodies of the LANXESS Aktiengesellschaft, or a shareholder with a substantial interest in the LANXESS Aktiengesellschaft with any significance for the election decision of the Annual Stockholders' Meeting.

7. Adoption of a resolution regarding the cancelation of authorized capital II and creation of new authorized capital II (with the option of excluding subscription rights) as well as the corresponding amendment of Section 4 (capital stock) (3) of the Articles of Association

The authorization of the Board of Management granted by the Annual Stockholders' Meeting on 28 May 2010 to increase the capital stock by up to EURO 16,640,534 (authorized capital II) has been used in the fiscal year 2014 in the amount of EURO 8,320,266 and will furthermore expire on 27 May 2015. The remaining authorized capital II in Section 4 (3) of the Articles of Association should therefore be canceled and replaced by a new authorized capital II, to enable the company in the future to cover its financial requirements quickly and flexibly in the future, in particular in consideration of the planned realignment of the company. Please refer to the report by the Board of Management to the Annual Stockholders' Meeting on this agenda item.

The Board of Management and the Supervisory Board propose the following resolution:

a) Cancellation of the authorized capital resolved by the Annual Stockholders' Meeting on 28 May 2010

The authorization of the Board of Management granted by the Annual Stockholders' Meeting on 28 May 2010 with a term expiring on 27 May 2015 pursuant to Section 4 (3) of the Articles of Association to increase the capital stock with the approval of the Supervisory Board by way of issuance of new no-par value bearer shares against cash contributions or contributions in kind is canceled and shall be replaced by the following new authorized capital II as stated under following lit. b).

b) Creation of new authorized capital II

The Board of Management will be authorized to increase the capital stock by 22 May 2018 – with the approval of the Supervisory Board by way of issuance of new no-par value bearer shares against cash contributions or contributions in kind, either once or several times, by up to a total of EURO 18,304,587 (authorized capital II).

Stockholders will be granted a subscription option with the following restrictions:

With the Supervisory Board's approval, the Board of Management will be authorized to exclude fractional amounts in the case of capital increases against cash contributions and/or contributions in kind from the stockholders' subscription right and to furthermore exclude the subscription right to the extent required in order to grant new no-par value bearer shares to holders or creditors of the option or conversion rights or obligations issued by the company

or its direct or indirect affiliated companies to the extent they would be entitled to upon exercising the option or conversion right or fulfilling the option or conversion obligation as shareholders.

The Board of Management will furthermore be authorized, with the Supervisory Board's approval, to exclude the subscription right of the shareholders if the capital increase is made against contributions in kind, in particular in case of acquisition of companies, parts of companies, equity interests in companies or other assets, including rights and receivables, or as part of mergers.

The Board of Management will furthermore be authorized, with the Supervisory Board's approval, in the case of capital increases against cash contributions, to exclude the subscription right if the amount for which the new no-par value bearer shares are issued does not significantly fall short of the market price at the time of final determination of the amount for which the shares are issued, which should be as close as possible to the placement of the no-par value bearer shares (simplified exclusion of subscription rights in accordance with Section 186 (3) Sentence 4 AktG). The shares issued under exclusion of the subscription right in accordance with Section 186 (3) Sentence 4 AktG may not exceed 10% of the capital stock existing at the time when the resolution is passed by the Annual Stockholders' Meeting or – if the value is lower – when the resolution regarding the initial exploitation of authorized capital is passed. This upper limit of 10% of capital stock shall be reduced by the pro-rated amount of the capital stock attributable to those shares issued or sold during the period of effectiveness of this authorization under the exclusion of the subscription right in direct or analogous application of Section 186 (3) Sentence 4 AktG. Furthermore, this ceiling is decreased by shares that have been or must be issued in order to satisfy option or conversion rights or obligations, if the option or conversion rights or obligations were issued under exclusion of the subscription right in accordance with Section 186 (3) Sentence 4 AktG during the period of effectiveness of this authorization.

The Board of Management will also be authorized, with the Supervisory Board's approval, to determine the further particulars of the capital increase and its implementation.

c) Amendments to the Articles of Association

Sec. 4 (3) of the Articles of Association shall be amended as follows:

"The Board of Management will be authorized to increase the capital stock by 22 May 2018, with the approval of the Supervisory Board, by way of issuance of new no-par value bearer shares against cash contributions or contributions in kind, either once or several times, by up to a total of EURO 18,304,587 (authorized capital II). Stockholders will be granted a subscription right with the

following restrictions: With the approval of the Supervisory Board, the Board of Management is authorized to exclude fractional amounts from the subscription right of shareholders in the case of capital increases against cash contributions or contributions in kind as required, in order to grant holders or creditors of the option or conversion rights or obligations issued by the company or its direct or indirect affiliated companies a subscription right for new no-par value bearer shares to the extent to which they would be entitled upon exercising the option or conversion right or in the case of fulfillment of the option or conversion obligation. The Board of Management will furthermore be authorized, with the Supervisory Board's approval, to exclude the subscription right if the capital increase is made against contributions in kind, in particular in case of acquisition of companies, parts of companies, equity interests in companies or other assets, including rights and receivables, or as part of mergers. Furthermore, with the Supervisory Board's approval, in the case of capital increases against cash contributions, the subscription right of the shareholders can be excluded if the amount for which the new no-par value bearer shares are issued does not significantly fall short of the market price at the time of final determination of the amount for which the shares are issued, which should be as close as possible to the placement of the no-par value bearer shares (simplified exclusion of subscription rights in accordance with Section 186 (3) Sentence 4 AktG). The shares issued under exclusion of the subscription right in accordance with Section 186 (3) Sentence 4 AktG may not exceed 10% of the capital stock existing at the time when the resolution is passed by the Annual Stockholders' Meeting or – if the value is lower – when the resolution regarding the initial exploitation of authorized capital is passed. This upper limit of 10% of capital stock shall be reduced by the pro-rated amount of the capital stock attributable to those shares issued or sold during the period of effectiveness of this authorization under the exclusion of the subscription right in direct or analogous application of Section 186 (3) Sentence 4 AktG. Furthermore, this ceiling is decreased by shares that have been or must be issued in order to satisfy option or conversion rights or obligations, if the option or conversion rights or obligations were issued under exclusion of the subscription right in accordance with Section 186 (3) Sentence 4 AktG during the period of effectiveness of this authorization. The Board of Management will also be authorized to determine the further particulars of the capital increase and its implementation with the Supervisory Board's approval."

The Board of Management can only use the authorization to issue shares from the new authorized capital II in the maximum amount of 20% of the capital stock that exists at the time the resolution is passed. When deciding on the exclusion of the subscription right of stockholders, the Board of Management will also take into consideration an issue of bonds with option or conversion rights and/or obligations, which is issued on the basis of other authorizations granted by the Annual Stockholders' Meeting of 13 May 2015 under exclusion of the subscription right of stockholders (cf. proposed resolution regarding agenda item 8), with the provision that it will only use the authoriza-

tions granted by the Annual Stockholders' Meeting of 13 May 2015 for capital measures under exclusion of the stockholders' subscription right to increase the capital stock in the maximum amount of 20% of the capital stock that exists at the time the resolution is passed. The shares issued from the authorized capital II under exclusion of the subscription right regarding capital increases by way of contributions in kind should not exceed 10% of the capital stock that exists at the time the resolution is passed. The Board of Management will be bound to these limitations until a future Annual Stockholders' Meeting passes another resolution about the authorization of the Board of Management regarding capital measures under exclusion of the stockholders' subscription rights. Reference is made in this regard to the reports submitted by the Board of Management to the Annual Stockholders' Meeting about the authorized capital II (agenda item 7) and the authorization to issue warrant bonds or convertible bonds (agenda item 8).

8. Cancellation of the previous authorization to issue convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or a combination of these instruments) as well as the conditional capital; creation of a new authorization to issue convertible bonds and/or warrant bonds, profit participation rights and/or income bonds or a combination of these instruments, also under exclusion of the subscription right, creation of a new conditional capital as well as the corresponding amendments to Section 4 (capital stock) (4) of the Articles of Association

The authorization resolved upon at the Annual Stockholders' Meeting of 18 May 2011, which expires on 17 May 2016, to issue convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or combinations of these instruments) and the conditional capital should be canceled prematurely following the capital increase implemented in the 2014 fiscal year and replaced by a new authorization as well as a new conditional capital, that is again to correspond to 20% of the capital stock stated in the adopted resolution.

The Board of Management and the Supervisory Board propose the following resolution:

a) Cancellation of the authorization to issue convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or a combination of these instruments); creation of a new authorization to issue convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or a combination of these instruments), also under exclusion of the subscription right

The authorization granted to the Board of Management by the Annual Stockholders' Meeting of 18 May 2011, with the approval of the Supervisory Board, to issue warrant bonds and convertible bonds, profit participation rights and/or income bonds (or combinations of these instruments) until 17 May 2016 for the total nominal value of up to EURO 2,000,000,000.00, is canceled with effect

from the entry of the creation of a new conditional capital to be resolved under lit. b) and the corresponding amendment to the Articles of Association under Section 4 (4) and replaced by the following authorization.

The Board of Management is authorized until 22 May 2018, with the approval of the Supervisory Board, to issue against cash contribution in bearer or registered form warrant bonds and/or convertible bonds, profit participation rights and/or income bonds or any combination of these instruments (collectively referred to as "bonds") once or several times to the total nominal value of up to EURO 1,000,000,000.00 with or without a time restriction and to grant or impose upon the bearers or creditors (hereinafter jointly referred to as "bearers") of option bonds or option certificates or option participating bonds option rights or obligations or the bearers of conversion bonds or convertible profit participation certificates or convertible income bonds conversion rights or obligations for non-par value bearer shares in the company with the proportional amount of the capital stock of up to EURO 18,304,587.00 in total in accordance with the detailed provisions of the bonds.

Aside from bonds in Euro, the bonds may also be issued in the legal currency of an OECD country, limited to relevant equivalent value in Euro. They can also be issued by subordinate group companies to the company; in this case the Board of Management is authorized with the approval of the Supervisory Board to assume on behalf of the company the guarantee for the bonds and to grant the bearers option or conversion rights or obligations to the no-par value bearer shares in the company.

The stockholders generally have a subscription right for the bonds. Insofar as the stockholders are not allowed to directly subscribe for the bonds, the stockholders will be granted the statutory subscription right in such a manner that the bonds are taken over by a credit institute or a consortium of credit institutes with the obligation to offer them to the stockholders for subscription. If the bonds are issued by a subordinate group company, the company is to ensure that the statutory subscription right for the company stockholders is granted in accordance with the preceding sentence.

However, with the approval of the Supervisory Board, the Board of Management is authorized to exclude fractional amounts based on the subscription ratio from the subscription right of the shareholders and to also exclude the subscription right as required, in order to grant holders or creditors of the option or conversion rights or obligations already issued by the company or its direct or indirect affiliated companies a subscription right for new no-par value bearer shares to the extent to which they would be entitled upon exercising the option or conversion rights or in the case of fulfillment of the option or conversion obligation.

The Board of Management is further authorized, with the approval of the Supervisory Board, to fully exclude the subscription right of the shareholders for bonds issued against cash contribution with

option or conversion rights or obligations, if the Board of Management has come to the conclusion after due examination, that the issue price for the bonds does not fall significantly below their hypothetical market value calculated according to recognized financial methods. However, this authorization to exclude the subscription right only applies to bonds that are issued with option or conversion rights or obligations, with an option or conversion right or an option or conversion obligation on shares with a pro rata amount of capital stock, which may not exceed a total of 10% of the capital stock either at the time of this authorization becoming effective or, if this value is lower, at the time of this authorization being exercised. Shares shall be credited against the aforementioned 10% limit, which were issued or sold during the term of this authorization before the issue without subscription rights pursuant to Section 186 (3) Sentence 4 AktG of the bonds with option and/or conversion rights or obligations to the exclusion of subscription rights according to Section 186 (3) Sentence 4 AktG.

Insofar as profit participation rights or income bonds without conversion rights/obligations or option rights/obligations are issued, the Board of Management is authorized to totally exclude the subscription rights of the shareholders with the approval of the Supervisory Board, if these profit participation rights or income bonds are structured in the same way as obligations, i.e. do not establish any rights of membership in the company, do not grant any participation in the proceeds of liquidation and for which the amount of the interest rate is not calculated on the basis of the amount of net income for the financial year, the balance sheet profits or the dividends. Furthermore, in this case the interest rate and the issue amount for the profit participation rights or income bonds must correspond to current market conditions on the date of issue.

In the case of issue of warrant bonds, each individual bonds (hereinafter also referred to as "partial debenture") shall have one or more warrants attached, which authorize the bearer to subscribe for no-par value bearer shares in the company in accordance with the more detailed provisions of the option conditions to be determined by the Board of Management. For Euro-denominated option bonds issued by the company, the option conditions can also stipulate that the option price can be fulfilled by the transfer of partial debentures as well as an additional cash payment if necessary. The pro rata amount of capital stock, which applies per partial debenture for shares to be subscribed, may not exceed the nominal value of the partial debenture. Insofar as there are fractions of shares, it may be stipulated that these fractions of shares in accordance with the option or bond conditions can be combined to subscribe for complete shares, if necessary against additional payment. The same applies if profit participation rights or an income bond are attached to option warrants.

In the case of issue of convertible bonds, the bearers of the partial debenture are given the right to convert their partial debenture into no-par value bearer shares in the company in accordance with the convertible bond conditions determined by the Board of Man-

agement. The conversion ratio is calculated by dividing the nominal amount or the issue amount of a partial debenture that is less than the nominal amount by the defined conversion price for a no-par value bearer share in the company and can be rounded up or down to the nearest whole number; furthermore, a payment to be made in cash and the combination or compensation for non-convertible fractional amounts can be determined. The bond conditions can stipulate a variable conversion ratio and determination of the conversion price (subject to the minimum price determined in the following) within a defined range depending on the development of the price for the no-par value share in the company during the term of the bond. The same applies for convertible profit participation rights and convertible participating bonds.

The respective option or conversion price to be determined for a no-par value share in the company, with the exception of cases in which an option or conversion obligation or a right to the delivery of shares is stipulated, must be at least 80% of the volume weighted average closing price for the no-par value shares in the company in electronic trade on the Frankfurt Stock Exchange in the last 10 trading days before the day on which the resolution is adopted by the Board of Management for the issue of the bonds or, if granting a subscription right, at least 80% of the volume weighted average stock market price for the shares in the company in electronic trade on the Frankfurt Stock Exchange during the subscription period, with the exception of the date on which the subscription period ends, so that the option or conversion price can be announced on time in accordance with Section 186 (2) Sentence 2 AktG. Section 9 (1) AktG and Section 199 AktG remain unaffected.

The bond conditions can also establish a conversion obligation or option obligation until the end of the term (or another point in time) or stipulate the right of the company, on the final maturity date of the bonds which are connected to option or conversion rights or obligations (this also includes maturity due to cancellation), to grant the bearer no-par value shares in the company or another listed company either in whole or in part instead of payment of the cash amount due. In these cases, the option or conversion price, in accordance with the more detailed provisions of the bond conditions, may correspond to the volume weighted average closing price of the no-par value shares in the company in electronic trade on the Frankfurt Stock Exchange during the 10 trading days before or after the final maturity date, even if this average price is below the aforementioned minimum price. The pro rata amount of capital stock upon exercising the conversion or option for no-par value share in the company to be issued may not exceed the nominal amount for the bonds. Section 9 (1) 1 AktG in connection with Section 199 (2) AktG are to be observed.

The authorization also includes the possibility, in accordance with the more detailed provisions of the respective conditions, to provide protection against dilution in certain cases or to implement adjustments, insofar as the adjustment is not already regulated by

law. Protection against dilution or adjustments can in particular be stipulated, if during the term of the bonds, capital changes are made by the company (either a capital increase or decrease or a share split) or the issuance of further conversion/option bonds in connection with dividend payments, as well as in the case of extraordinary events that occur within the term of the bonds or option warrants (for example, in the case of a takeover by a third party). Protection against dilution and adjustments can in particular be stipulated by granting of subscription rights, by changing the conversion/option price or by changing or granting cash components. Section 9 (1) AktG and Section 199 AktG remain unaffected.

The bond conditions can stipulate that the bonds that are connected to option or conversion rights or obligations can, at the discretion of the company, be converted into new shares from the company's authorized capital instead of new shares from conditional capital or to existing shares in the company or another listed company, or the option right can be fulfilled or the option obligation met by delivery of such shares. The bond conditions can also stipulate the right of the company not to grant new no-par value shares in the case of conversion or option rights being exercised but rather to pay a cash amount.

The Board of Management is authorized, with the approval of the Supervisory Board, to stipulate the further details of the issue and features of the bonds, in particular the interest rate, issue price, term and denomination, dilution protection provisions, option and conversion period as well as the option and conversion price within the aforementioned context or to determine these in agreement with the bodies of the group companies of the company issuing the option or conversion bond.

b) Cancellation of conditional capital and creation of new conditional capital as well as corresponding amendment of Section 4 (capital stock) (4) of the Articles of Association

The previous conditional capital is canceled, effective from registration of the new conditional capital created in the following and the corresponding amendment to Section 4 (4) of the Articles of Association. The capital stock is conditionally increased (conditional capital) by up to EURO 18,304,587.00 by the issuance of up to 18,304,587 new no-par value bearer shares. The conditional capital increase serves to grant no-par value bearer shares upon the exercise of conversion or option rights or in the case of the fulfillment of conversion or option obligations to the bearer or creditor of convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or combinations of these instruments), which are issued on the basis of the authorization resolution of the Annual Shareholders' Meeting of 13 May 2015 until 22 May 2018 by the company or a subordinate group company against cash contribution. The new shares are issued at the respective option or conversion price to be determined according to the authorization resolution described above.

The conditional capital increase is only to be carried out in the case of issuance of bonds, which are endowed with option or conversion rights or obligations, in accordance with the authorization resolution of the Annual Stockholders' Meeting of 13 May 2015 and only insofar as the option or conversion rights are executed or bearers of bonds obligated to exercise options or conversions fulfill their obligation to exercise their conversion/option or insofar as the company exercises the optional right to grant no-par value shares in the company instead of paying the cash amount due. The conditional capital increase is not carried out insofar as cash compensation is granted or own shares, shares from authorized capital or shares in another listed company are used for compensation. The new shares issued shall participate in profit from the beginning of the fiscal year in which they are issued; insofar as is legally permitted, the Board of Management can, with the approval of the Supervisory Board, determine the profit participation of new shares in this as well as for a fiscal year that has already ended, in deviation from Section 60 (2) AktG.

The Board of Management is authorized, with the Supervisory Board's approval, to determine the further particulars of the implementation of the conditional capital increase.

Section 4 (4) of the Articles of Association shall be amended as follows:

"(4) The capital stock is conditionally increased by up to EURO 18,304,587.00, divided into up to 18,304,587 no-par value share bearer shares (conditional capital). The conditional capital increase is only carried out insofar as the bearers or creditors of option and conversion rights or those who are obligated to exercise a conversion/option against cash contributions under warrant bonds and/or convertible bonds, profit participation rights and/or income bonds (or combinations of these instrument) issued or granted by the company or a subordinate group company on the basis of the authorization of the Board of Management by resolution of the Annual Shareholders' Meeting of 13 May 2015 until 22 May 2018, exercise their option or conversion rights or, insofar as they are obligated to exercise conversions/options, fulfill their obligation to exercise conversions/options or insofar as the company exercises the right to grant shares in the company instead of payment of the cash amount due either in whole or in part. The conditional capital increase is not carried out insofar as cash compensation is granted or own shares, shares from authorized capital or shares in another listed company are used for compensation. The new shares are issued at the respective option or conversion price to be determined according to the authorization resolution described above. The new shares shall participate in profit from the beginning of the fiscal year in which they are issued; insofar as is legally permitted, the Board of Management can, with the approval of the Supervisory Board, determine the profit participation of new shares in this as well as for a fiscal year that has already ended, in

deviation from Section 60 (2) AktG. The Board of Management is authorized, with the Supervisory Board's approval, to determine the further particulars of the implementation of the conditional capital increase."

c) Instruction on the amendment to the Articles of Association

Cancellation of the previous authorization as well as the conditional capital and the creation of a new authorization as well as a new conditional capital in accordance with the above lit. a) and b) form a uniform resolution; without registering the new conditional capital in the Commercial Register, cancellation of the authorization resolved upon by the Annual Stockholders' Meeting on 18 May 2011 for the issuance of warrant bonds and/or convertible bonds as well as the conditional capital in the amount of EURO 16,640,534.00 are not effective. The Board of Management is directed accordingly to register the cancellation of the existing conditional capital and the adoption of resolution on the creation of a new conditional capital accordingly in the Commercial Register, so that the registration of the cancellation of the existing conditional capital is completed, when it has been ensured that the adoption of resolution on Section 4 (4) of the Articles of Association is registered immediately following this.

The Board of Management can only use the authorization to issue convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or combinations of these instruments) in the maximum amount of 20% of the capital stock that exists at the time the resolution is passed. When deciding on the exclusion of the subscription right of stockholders, the Board of Management will also take into consideration an issue of shares, which is issued on the basis of other authorizations granted by the Annual Stockholders' Meeting of 13 May 2015 under exclusion of the subscription right of stockholders (cf. proposed resolution regarding agenda item 7), with the provision that it will only use the authorizations granted by the Annual Stockholders' Meeting of 13 May 2015 for capital measures under exclusion of the stockholders' subscription right to increase the capital stock in the maximum amount of 20% of the capital stock that exists at the time the resolution is passed. The Board of Management will be bound to these limitations until a future Annual Stockholders' Meeting passes another resolution about the authorization of the Board of Management regarding capital measures under exclusion of the stockholders' subscription rights. Reference is made in this regard to the report submitted by the Board of Management to the Annual Stockholders' Meeting about the authorization to issue warrant bonds or convertible bonds (agenda item 8).

II. Reports of the Board of Management

1. The report of the Board of Management to the Annual Stockholders' Meeting concerning item 7 of the agenda in accordance with Section 203 (2) Sentence 2 of the German Stock Corporation Act (AktG) in conjunction with Section 186 (4) Sentence 2 AktG

The Board of Management is submitting to the company's Annual Stockholders' Meeting convened for 13 May 2015 pursuant to Section 203 (2) AktG in conjunction with Section 186 (4) Sentence 2 AktG the following written report regarding the recommendation on the resolution to be passed under agenda item 7 regarding the cancelation of the existing authorized capital II and the creation of a new authorized capital II:

The authorization of the Board of Management granted by the Annual Stockholders' Meeting on 28 May 2010 to increase the capital stock by up to EURO 16,640,534 (authorized capital II) has been used in the fiscal year 2014 in the amount of EURO 8,320,266 and will furthermore expire on 27 May 2015. The remaining authorized capital II in Section 4 (3) of the Articles of Association will be canceled and replaced by new authorized capital II.

a) Utilization of the authorized capital as resolved by the Annual Stockholders' Meeting on 28 May 2010 in the fiscal year 2014

With the approval of the Supervisory Board, the Board of Management had resolved on 7 May 2014 to make use of the authorization granted to the Board of Management pursuant to Sec. 4 (3) of the Articles of Association and to increase the company's capital stock of EURO 83,202,670 by nominally EURO 8,320,266, which corresponds to approximately 10% of the capital stock, by issuing 8,320,266 new, no-par bearer shares, to EURO 91,522,936 by way of the capital increase against cash contribution and to exclude the stockholders' subscription rights due to the current authorization in Section 4 (3) Sentence 5 of the Articles of Association pursuant to Section 186 (3) Sentence 4 AktG (simplified subscription right exclusion).

The newly issued no-par shares were placed with international institutional investors on 8 May 2014 by way of an accelerated book-building process at a rate of EURO 52 per no-par share. The placement generated gross proceeds for the company of approximately EURO 433 million. The capital increase was carried out in order to finance the company's pending restructuring measures. At the same time, it strengthened the group's equity and decreased the net financial liabilities. By increasing the capital and excluding the subscription right, these objectives were achieved in a timely manner and the time and money that would have been spent on a subscription right issuance, which would have also been associated with higher discount quotations and insecurities, were avoided.

The placement price of EURO 52 per no-par share that was set by the Board of Management with the Supervisory Board's approval included, compared to the discount that was made when the current stock market price of EURO 53.46 was established (Xetra closing price of 7 May 2014), a discount of only 2.7% and was therefore significantly lower than the highest discount of 5% that was granted by the Annual Stockholders' Meeting in the current authorization. The placement price is based on the offers made by the investors as part of the accelerated book-building process. Existing stockholders had the opportunity to maintain their current shareholding quota by purchasing additional shares from the stock exchange at almost the same terms. The asset and voting right interests of the current stockholders were therefore adequately protected, in spite of the exclusion of the subscription right.

The newly issued no-par shares were already entitled to dividends for the fiscal year 2013. This was necessary in the interest of the company in order to facilitate the marketing of the newly issued no-par shares, to reduce the administrative costs, and to achieve a higher placement price and therefore higher earnings.

During the Annual Stockholders' Meeting on 22 May 2014, the Board of Management had already verbally reported on the utilization of the authorized capital II as resolved by the Annual Stockholders' Meeting on 28 May 2010.

b) Creation of new authorized capital II

The new authorized capital II, which takes the place of the authorized capital II currently provided for in Section 4 (3) of the company's Articles of Association amounts to EURO 18,304,587 and therefore corresponds to 20% of the current capital stock in the total amount of EURO 91,522,936.

The existing authorized capital I in the amount of EURO 16,640,534 that was passed in the company's Annual Stockholders' Meeting on 23 May 2013 (Section 4 (2) Articles of Association) and that exists alongside the authorized capital II provided for in Section 4 (3) of the Articles of Association remains unaffected.

The proposed new authorized capital II places the company, within reasonable limits, in a position that will continue to enable it to quickly and flexibly cover its financial needs. This focuses in particular on the realignment of LANXESS introduced in 2014. Decisions about the coverage of need for capital generally have to be made quickly. It is therefore important that the company does not depend on the annually scheduled Annual Stockholders' Meetings. By providing the authorized capital instrument, lawmakers have taken this fact into account.

The LANXESS Group is currently in a realignment phase. The Board of Management introduced the three-phase program "Let's LANXESS again" on the occasion of the Group's worldwide realignment in the third quarter of 2014. As part of the first phase that started on 1 January 2015, the number of the Group's business units was consolidated from 14 to 10. The Group's administration is streamlined as well. The more efficient organizational structure not only facilitates marketability and a proximity to customers, but also sustainably improves the Group's cost position. As part of the second phase, the focus is shifted to operational competitiveness. Until the end of 2016, all production processes and facilities will be reviewed with regard to market requirements and synergy potential. Another initiative taking place at the same time focuses on optimizing sales and supply chains. The third phase focuses on increasing the competitiveness of the company's portfolio as well as potential strategic partnerships for the group's businesses. In particular, the businesses involving synthetic rubber are characterized by the ongoing challenges in the competitive environment and are subject to ongoing price pressure. Against this background, in the third phase of the realignment the company is striving to achieve better access to raw materials and sales markets by looking into new strategic partnerships and in particular to find solutions for its businesses involved in synthetic rubber. Furthermore, we want to create the necessary financial basis in order to be able to turn our strategic focus once again toward growth, especially in less cyclical markets. With the new authorized capital II, we are creating enough financial leeway to realize potential financial resources quickly and flexibly, in order to sustainably increase our competitiveness as well as potential growth options. Moreover, the European chemicals industry is facing structural changes and a comprehensive consolidation process. The authorized capital should put LANXESS in a position to react appropriately to the changes and to actively participate in this consolidation process.

The new authorized capital II, in view of the realignment, is to be limited to only three years, i.e. until 22 May 2018, instead of the legally allowed and also customary five years. On 22 May 2018, the authorization for the existing authorized capital I will expire. This means that the Annual Stockholders' Meeting in 2018 will be able to decide on the creation of new authorized capital.

The stockholders are generally entitled to a legal subscription right when the authorized capital II is used. With the Supervisory Board's approval, it should however be possible to exclude this subscription right in the following cases:

Subscription right exclusion for fractional amounts relating to capital increases

It should be possible to exclude the subscription right with regard to fractional amounts during capital increases against cash deposits or contributions in kind. This should facilitate the processing of an issue with a basic subscription right for stockholders. Fractional amounts may result from the respective issue volume and from the fact that it is necessary to constitute a technically feasible subscription right relationship. The value of such fractional amounts is usually low for the individual stockholder. The potential dilution effect can also be disregarded due to the limitation to fractional amounts. On the other hand, the effort necessary for an issue without such an exclusion is much greater for the company, which leads to additional costs. The exclusion of the subscription right thus serves the purpose of practicability and cost efficiency and simplifies the implementation of an issue. The new shares that are excluded from the stockholders' subscription right as fractional shares are liquidated in a manner that is most beneficial for the company, either by selling them on a stock exchange or in another way.

Subscription right exclusion to the benefit of bearers of option or conversion rights or obligations

Furthermore, it should also be possible with the Supervisory Board's approval to exclude the subscription right to the extent necessary to grant holders bonds with option or conversion rights or obligations issued by the company or its directly or indirectly affiliated companies a subscription right for new no-par bearer shares to the extent they would be entitled upon exercising their option or conversion right. To make it easier to place bonds on the capital market, the relevant issuing terms usually provide for protection against dilution. Dilution may be prevented e.g. by ensuring that the holders of option or conversion rights or obligations also have a subscription right to the new shares, if new shares are issued where the stockholders have a subscription right. They are thus placed in the same position as if they had already exercised their option or conversion right or, respectively, met their conversion obligation. Since the protection against dilution in this case does not have to be guaranteed by reducing the option or conversion price, it is possible to realize a higher issue price for the no-par bearer shares to be issued upon conversion or exercise of the option. This approach, however, is only possible if the stockholders' subscription right is excluded in that regard. Because the placement of bonds with conversion and/or option rights or obligations upon granting of a corresponding dilution protection is thus facilitated, the exclusion of the subscription right serves the stockholders' interests in an optimal financial structure of their company.

Subscription right exclusion relating to capital increases by way of contributions in kind

The option to exclude the stockholders' subscription right, with the approval of the Supervisory Board, if the capital increase is made against contributions in kind, in particular in case of acquisition of companies, parts of companies, equity interests in companies and other assets, including rights and receivables, or as part of mergers should also be available. This serves to provide the company with sufficient latitude to take advantage of opportunities that present themselves relating to the acquisition of other companies, participations, or of parts of companies as well as company mergers, but also the acquisition of other assets such as, for example, rights or receivables, in a manner that is quick and flexible, that protects liquidity, and that improves its competitive position as well as strengthens its profitability. The owners of attractive companies or other attractive acquisition objects oftentimes demand voting stock from the buyer in return. In order for the company to acquire such companies or other acquisition objects, it must be able to offer shares in return. Since such an acquisition is often performed with short notice, it can usually not be approved by the Annual Stockholders' Meeting, which meets only once a year. This circumstance requires the creation of authorized capital that the Board of Management can quickly access with the approval of the Supervisory Board. In such a case, the Board of Management will ensure that the interests of the stockholders are adequately protected when determining the valuation ratios. The Board of Management of the company will also take into account the stock market price of the company's share. A systematic link to the market price is not envisaged, in particular to prevent previously reached negotiation results from being challenged on the grounds of stock market price fluctuations. The Board of Management will only exercise this authorization when the exclusion of the subscription right is in the well-understood interest of the company.

Subscription right exclusion regarding capital increases for cash pursuant to Section 186 (3) Sentence 4 AktG

Finally, the stockholders' subscription right may also be excluded with the Supervisory Board's approval if the no-par bearer shares against cash contributions are issued at a price that is not significantly lower than the stock market price. Such an authorization enables the company to quickly and flexibly utilize market opportunities and to quickly cover possible capital requirements. Section 186 (2) AktG does allow publication of the subscription price up until the third from last day of the subscription period. In light of the frequently observed volatility of the stock markets, however, there is also a market risk over several days, which leads to safety discounts in the determination of the subscription price and thus to conditions that are not close to the market. Also, in the case of the existence of a subscription right, the uncertainty surrounding the exercise of a granted subscription right (subscription behavior)

jeopardizes successful placement with third parties or gives rise to associated costs. On the other hand, the exclusion of the subscription right allows for quick action and a placement close to the stock exchange price without the usual discounts when issuing subscription rights due to the high volatility on the stock markets. This way, a speedy capital procurement for the company can be optimized even further, in particular since experience has shown that the ability to act more quickly results in larger cash inflow. Therefore, this form of capital increase is also in the stockholders' best interest.

Protection against dilution is addressed by the fact that no-par bearer shares may only be sold at a price that is not significantly lower than the prevailing stock exchange price. The Board of Management will strive to minimize any discount on the stock exchange price, giving due consideration to the current market conditions. In this context, the stockholders are protected by the fact that the discount on the stock exchange price at the time of the utilization of the authorized capital cannot be significant, i.e. that it may never exceed 5% of the current stock exchange price. Stockholders shall furthermore have the option of maintaining their share in the company's capital stock at any time by acquiring shares on the stock market.

The capital increase in return for cash under the exclusion of the subscription right in accordance with Section 186 (3) Sentence 4 AktG may not exceed 10% of the respective existing capital stock, neither at the time this authorization becomes effective nor at the time it is exercised. This ceiling relevant for the simplified exclusion of the subscription right is reduced by the pro-rated amount of the capital stock attributable to those shares that were issued or sold during the time this authorization was effective under the exclusion of the subscription right in direct or respective application of Section 186 (3) Sentence 4 AktG. Furthermore, this ceiling is decreased by shares that have been or must be issued in order to satisfy option or conversion rights or obligations, if the option or conversion rights or obligations were issued under exclusion of the subscription right in accordance with Section 186 (3) Sentence 4 AktG during the period of effectiveness of this authorization.

Total scope of capital measures excluding the subscription right that the Annual Stockholders' Meeting of 13 May 2015 will pass a resolution on

The Board of Management can only use the authorization to issue shares from the new authorized capital II in the maximum amount of 20% of the capital stock that exists at the time the resolution is passed. When deciding on the exclusion of the subscription right of stockholders, the Board of Management will also take into consideration an issue of bonds with option or conversion rights and/or obligations, which is issued on the basis of other authorizations granted by the Annual Stockholders' Meeting of 13 May

2015 under exclusion of the subscription right of stockholders (cf. proposed resolution regarding agenda item 8), with the provision that it will only use the authorizations granted by the Annual Stockholders' Meeting of 13 May 2015 for capital measures under exclusion of the stockholders' subscription right to increase the capital stock in the maximum amount of 20% of the capital stock that exists at the time the resolution is passed. The shares issued from the authorized capital II under exclusion of the subscription right regarding capital increases by way of contributions in kind should not exceed 10% of the capital stock that exists at the time the resolution is passed. The Board of Management will be bound to these limitations until a future Annual Stockholders' Meeting passes another resolution about the authorization of the Board of Management regarding capital measures under exclusion of the stockholders' subscription rights. Reference is made in this regard to the report submitted by the Board of Management to the Annual Stockholders' Meeting about the authorization to issue warrant bonds or convertible bonds (agenda item 8).

Utilization of the new authorized capital II

In each individual case mentioned in this authorization, the Board of Management will carefully review whether it will use the authorization to increase capital under exclusion of the stockholders' subscription right. The Board of Management will only do so if the exclusion of the subscription right lies, in the opinion of the Board of Management and the Supervisory Board, in the interest of the company and therefore in the interest of its stockholders. As in the past, the Board of Management will also exercise this authorization responsibly.

In the event of a utilization of the above authorization, the Board of Management will issue a corresponding report.

2. The report of the Board of Management to the Annual Stockholders' Meeting concerning item 8 of the agenda in accordance with Section 221 (4) Sentence 2 of the German Stock Corporation Act (AktG) in conjunction with Section 186 (4) Sentence 2 AktG

The Board of Management shall submit the following written report for the ordinary Annual Stockholders' Meeting for the company convened for 13 May 2015 pursuant to Section 221 (4) Sentence 2 AktG in connection with Section 186 (4) Sentence 2 AktG on the adoption of a resolution under item 8 of the agenda for the cancellation of the authorization to date to issue convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or combinations of these instruments) as well as the conditional capital and creation of a new authorization to issue convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or combinations of these instruments) as well as a new conditional capital.

The authorization resolved upon at the Annual Stockholders' Meeting of 18 May 2011, which expires on 17 May 2016, to issue conversion and/or option bonds, profit participation rights and/or participating bonds (or combinations of these instruments) (collectively referred to as "bonds") and the conditional capital should be canceled prematurely following the capital increase implemented in the 2014 fiscal year and replaced by a new authorization as well as a new conditional capital.

The proposed authorization provides for the Board of Management to be authorized, with the approval of the Supervisory Board, to issue bonds once or several times for the total nominal amount of up to EURO 1,000,000,000.00, as well as to create a conditional capital of up to EURO 18,304,587.00 to service the option or conversion rights or obligations, which similar to the previous conditional capital should correspond to 20% of the existing capital stock upon adoption of the resolution.

Appropriate capital resources are an essential basis for the development of the company. By issuing bonds, in addition to the classic options of raising third party and equity capital, the company can avail itself of attractive financing options on the capital market. The emission of bonds thus facilitates the raising of low-interest third party capital, which can be categorized as equity capital or equity-related both for rating purposes and for accounting purposes.

Shareholders' Subscription Right

According to Section 221 (4) in connection with Section 186 (1) AktG, the shareholders are in principle entitled to the statutory subscription right to bonds which are associated with option or conversion rights or obligations. Insofar as the shareholders are not allowed to directly subscribe for bonds, the Board of Management can use the option of issuing bonds to a credit institute or a consortium of credit institutes with the obligation to offer the bonds to shareholders in accordance with their subscription right (indirect subscription right as defined under Section 186 (5) AktG).

Exclusion of subscription rights for fractional amounts and in favor of the bearer or creditor of conversion and option rights or obligations already issued

The exclusion of subscription right for fractional amounts enables the use of the requested authorization in full amounts. This makes it easier to exercise the shareholders' subscription right.

Exclusion of the subscription right in favor of the bearers or creditors of conversion and option rights or obligations already issued has the advantage that the conversion or option price for the conversion or option rights or obligations already issued need not be discounted, thus enabling a higher inflow of funds.

Both cases of the exclusion of subscription rights are therefore in the interest of the company and its stockholders.

Exclusion of subscription rights in accordance with Sections 221 (4) Sentence 2 AktG, 186 (3) Sentence 4 AktG

The Board of Management is further authorized, with the approval of the Supervisory Board, to fully exclude the subscription right of the stockholders, if the bonds associated with option or conversion rights or obligations against cash payment are issued at a price that is not significantly below the market value of the bond. This gives the company the opportunity to use favorable market situations quickly and at very short notice and to obtain better conditions by stipulating terms that are in line with the market when determining the interest rate, option or conversion price and issue price of the bonds. Stipulating terms that are in line with the market and smooth placement would not be possible if the subscription rights were preserved. Section 186 (2) AktG allows publication of the subscription price (along with the bond conditions) until the third from last day of the subscription period. In light of the frequently observed volatility of the stock markets, however, there is also a market risk over several days, which leads to safety discounts in the determination of the bond terms and thus to conditions that are not close to the market. Also, in the case of the existence of a subscription right, the uncertainty surrounding the exercise of a granted subscription right (subscription behavior) jeopardizes successful placement with third parties or gives rise to associated costs. Finally, the granting of a subscription right for the company cannot react favorably or unfavorably to market conditions at short notice, due to the length of the subscription period but is exposed to declining share prices during the subscription period that could lead to unfavorable equity procurement for the company.

In this case, a full exclusion of the subscription right applies in accordance with Section 221 (4) Sentence 2 AktG analogous to the provision under Section 186 (3) Sentence 4 AktG. The limit regulated there for subscription right exclusions of 10% of the capital stock is to be complied with according to the contents of the resolution. The volume of the conditional capital, which in this case is at most to be made available to secure the option and conversion rights or obligations, may not exceed 10% of the existing capital stock upon the authorization to exclude the subscription right becoming effective pursuant to Section 186 (3) Sentence 4 AktG. Through the corresponding specifications in the resolution to exclude the subscription right, it is also ensured that even in the case of a capital decrease, the 10% limit shall not be exceeded, as according to the authorization to exclude the subscription right it is expressly forbidden for the subscription right exclusion to exceed 10% of the capital stock, either at the time this authorization comes into effect or (if this value is lower) at the time this authorization is exercised. Equity capital, which is sold under exclusion of the subscription right in accordance with Section 186 (3) Sentence 4 AktG, as well as the shares that are issued from authorized capital under exclusion of the subscription right in accordance with Section 186 (3) Sentence 4 AktG, if the sale or issue is carried out during the term of this authorization before the issue without granting subscription rights pursuant to Section 186 (3) Sentence 4 AktG of the

bonds with option and/or conversion rights or obligations, is credited against and reduces this amount accordingly. Section 186 (3) Sentence 4 AktG also states that the issue price may not be significantly below the stock market price. This should ensure that a significant economic dilution of the value of the shares does not occur. Whether such a dilution effect occurs in the case of the issue without granting subscription rights of bonds associated with option or conversion rights or obligations, can be determined in that the hypothetical market value of the bonds is calculated according to recognized financial methods and compared with the issue price. If, following due examination, this issue price is only insignificantly below the hypothetical stock market price on the date of issue of the bonds, a subscription right exclusion is permissible due to the negligible discount in accordance with the meaning and purpose of the regulation under Section 186 (3) Sentence 4 AktG. Therefore, the resolution stipulates that, before issuing the bonds connected with option or conversion rights or obligations, the Board of Management must come to the conclusion after due examination that the planned issue price does not lead to any significant dilution of the value of the shares, as the issue price for the bonds does not fall significantly below their hypothetical market value calculated according to recognized financial methods. This reduces the calculated market value of a subscription right to almost zero, so that the shareholders do not incur any significant economic disadvantage as a result of the subscription right exclusion. All of this ensures that a significant dilution of the value of the shares does not occur due to the subscription right exclusion.

The stockholders shall furthermore have the option of maintaining their share in the company's capital stock even after exercising conversion or option rights or the occurrence of option or conversion obligations at any time by acquiring shares on the stock market. On the other hand, the subscription right exclusion authorization allows the company to set terms in line with the market, the highest degree of certainty that the bonds can be placed with third parties and the use of favorable market situations at short notice.

Subscription right exclusion in the case of profit participation rights or participating bonds without option or conversion rights or obligations structured in the same way as obligations

The Board of Management is further authorized, insofar as profit participation rights or income bonds without option or conversion rights or obligations are to be issued, with the approval of the Supervisory Board, to fully exclude the subscription right of the shareholders, if these profit participation rights or income bonds are structured in the same way as obligations. This is the case, if they do not establish any membership rights in the company, do not grant participation in liquidation proceeds or if the interest rate is not calculated on the basis of the net income for the financial year, the balance sheet profits or the dividends. Furthermore, in all cases the interest rate and the issue amount for the profit participation rights or participating bonds must correspond to current market conditions on the date of issue. If the

stated prerequisites are met, no disadvantages result from the exclusion of the subscription for the shareholders, as the profit participation rights and income bonds do not establish any membership rights and do not grant any share in liquidation proceeds or the company's profits.

Issue amount

The issue amount for the new shares must, with the exception of a conversion obligation or a right to the delivery of shares, correspond to at least 80% of the stock market price determined immediately prior to issue of the bonds which are connected with option or conversion rights or obligations. Through the option of a surcharge (which can increase after the term of the options or convertible bonds), the prerequisites are established for the conditions of the conversion and option bonds to take into account the respective capital market behavior at the time of issue.

In the cases of a conversion obligation or a right to the delivery of shares, the issue price for the new shares in accordance with the detailed provisions of the bonds must correspond to the volume weighted average closing price of the no-par value shares in the company in electronic trade on the Frankfurt Stock Exchange during the 10 trading days before or after the final maturity date, even if this average price is below the aforementioned minimum price.

Total scope of capital measures excluding the subscription right that the Annual Stockholders' Meeting of 13 May 2015 will pass a resolution on

The Board of Management can only use the authorization to issue bonds in the maximum amount of 20% of the capital stock that exists at the time the resolution is passed. When deciding on the exclusion of the subscription right of stockholders, the Board of Management will also take into consideration an issue of shares, which is issued on the basis of other authorizations granted to it by the Annual Stockholders' Meeting of 13 May 2015 under exclusion of the subscription right of stockholders (cf. proposed resolution regarding agenda item 7), with the provision that it will only use the authorizations granted by the Annual Stockholders' Meeting of 13 May 2015 for capital measures under exclusion of the stockholders' subscription right to increase the capital stock in the maximum amount of 20% of the capital stock that exists at the time the resolution is passed. The Board of Management will be bound to these limitations until a future Annual Stockholders' Meeting passes another resolution about the authorization of the Board of Management regarding capital measures under exclusion of the stockholders' subscription rights. Reference is made in this regard to the report submitted by the Board of Management to the Annual Stockholders' Meeting on authorized capital II (agenda item 7).

III. Additional information regarding the convening

1. Total number of shares and voting rights

At the time of the notice convening the Annual Stockholders' Meeting, a total of 91,522,936 no-par value shares have been issued. Each share carries one voting right. The company holds no own shares at the time the Annual Stockholders' Meeting is convened. Therefore, the total number of voting rights is 91,522,936. There are no different classes of shares.

2. Requirement for the participation in the Annual Stockholders' Meeting and execution of Voting Rights

Stockholders are entitled to attend the Annual Stockholders' Meeting and to exercise voting rights provided that they have furnished proof of their right to attend the Annual Stockholders' Meeting in form of a special verification of stock ownership issued in text form by the depository institution and have registered with the company in text form, in German or English, no later than on or before *Wednesday, 6 May 2015 (24:00 hours CEST)*. The verification of stock ownership must refer to the beginning of the 21st day before the Annual Stockholders' Meeting, i.e. *Wednesday 22 April 2015, 0:00 hours CEST* (evidence reference date), and must be drawn up in the German or English language. Both verification of stock ownership and registration must be received by the company no later than *Wednesday, 6 May 2015 (24:00 hours CEST)* at the following address:

**LANXESS Aktiengesellschaft,
c/o Deutsche Bank AG
Securities Production
General Meetings
Postfach 20 01 07
60605 Frankfurt am Main
Germany**

**e-mail: wp.hv@db-is.com
Fax: + 49 (0)69 12012-86045**

The evidence reference date shall be authoritative for exercising participation rights and for the scope of voting rights in the Annual Stockholders' Meeting. In the relationship with the company, as regards participation in the Annual Stockholders' Meeting and exercising voting rights, only a person having furnished such special verification of stock ownership as of the evidence reference date shall be a stockholder. Changes in stock ownership after the evidence reference date shall be without relevance for the participation right and the scope of voting rights. Anyone who as of the evidence reference date has not yet held any shares and who has acquired their shares only after the evidence reference day, therefore shall not be entitled to attend or vote, unless

they are appointed as authorized representatives or proxy. Stockholders who have duly registered and furnished special verification of stock ownership, shall continue to be entitled to attend and to vote to the extent of the demonstrated stock ownership if they dispose of all or part of their shares after the evidence reference date. The evidence reference date shall be of no relevance for dividend rights.

Upon receipt of registration and verification of stock ownership, stockholders entitled to attend shall be sent admission tickets for the Annual Stockholders' Meeting. We ask stockholders to ensure in a timely way their registration and provision of the verification of stock ownership by their depository institution so as to facilitate the organization of the Annual Stockholders' Meeting.

3. Proxy procedure

Third-party authorization

Stockholders have the option of having their voting rights exercised by an authorized representative, also including a financial institution or a stockholders' association as proxy. Issuing, revoking, or evidence of such proxy vis-a-vis the company shall be made in text form unless a financial institution or a stockholders' association or any other similar institution or person under Section 135 (8) and (10) AktG are to be authorized to exercise voting rights.

To nominate proxies to third parties, stockholders may use the proxy section of their admission tickets, which shall be mailed to them upon registration. A proxy form is also available on the Internet at www.stockholdersmeeting.lanxess.com.

It is also possible to authorize third parties electronically on the Internet. This too requires an admission ticket. Stockholders may access the Internet-supported proxy system via the company's website at www.stockholdersmeeting.lanxess.com. The electronic proxy must be transmitted in a timely manner in order to be taken into consideration. The same shall apply to any electronic revocation of proxy.

Evidence of the appointment of an authorized representative may also be transmitted to the company via the email address hv2015@lanxess.com.

If a bank or any other similar institution or enterprise (Sections 135 (10), 125 (5) AktG) or a stockholders' association or a person defined in Section 135 (8) AktG are to be authorized, there is no text form requirement. However, the proxy statement must be in a verifiable form. It must furthermore be complete and may contain only statements related to exercising voting rights. Accordingly, if you intend to authorize a financial institution, a stockholders' association, or any other similar institution or person under Section 135 AktG, please check the form of proxy with those institutions or persons.

Company-nominated proxies

The company is offering its stockholders the opportunity to appoint company-nominated proxies to exercise their voting rights. Stockholders utilizing this option must have an admission ticket. Such proxies must be given authorization and instructions on how to exercise the voting rights with regard to each relevant item on the agenda. Proxies are obligated to vote as instructed. In the absence of explicit or clear instructions, proxies shall abstain from voting on the respective item. Authorization, voting instruction, revocation of such proxy as well as evidence of authorization shall be provided to the company in text form.

Authorization of and voting instructions to company-nominated proxies may be issued only by using the authorization and instruction section on the admission ticket unless specified otherwise below. The authorization (including instructions) must have been received by the company no later than *Tuesday, 12 May 2015, 12:00 hours (noon) CEST* (receipt decisive) at the following address:

**LANXESS Aktiengesellschaft
c/o Computershare Operations Center
80249 Munich
Germany**

**Fax: +49 (0)89 309037-4675
email: hv2015@lanxess.com**

Company-nominated proxies may also be authorized and instructed via the Internet. Stockholders may access the Internet-supported proxy system via the company's website at *www.stockholdersmeeting.lanxess.com*. Authorizations and instructions for the proxies designated by the company issued via the Internet must be issued in full by *Tuesday, 12 May 2015, 18:00 hours (CEST)* at the latest; up until this time, it is also possible to cancel authorizations or make changes to instructions on the Internet.

Stockholders attending the Annual Stockholders' Meeting in person may also authorize company-nominated proxies to vote on their behalf by issuing relevant authorizations and instructions at the exit in text form. This option will be available to stockholders regardless if they subsequently leave the Annual Stockholders' Meeting or wish to continue to attend.

Even in case of authorization of third parties or company-nominated proxies, registration and verification of stock ownership are required in due time in accordance with the above provisions.

4. Minority amendments to the agenda in accordance with Section 122 (2) AktG

Stockholders whose total shares together amount to one-twentieth of the capital stock or a pro-rated amount of EURO 500,000 may demand that items are added to the agenda and announced. Each new item must be accompanied by a justification or proposal.

Any motions shall be sent in writing to the company's Board of Management. We request that proposals are sent to the following address:

**To the Board of Management of
LANXESS Aktiengesellschaft
attn. Legal & Compliance Department
Kennedyplatz 1
50569 Cologne
Germany**

It must be received by the company no later than 30 days prior to the Meeting, whereby the day of receipt and the day of the Annual Stockholders' Meeting are excluded. The latest possible receipt date is therefore *Sunday, 12 April 2015, 24:00 (CEST)*. Any motions for amendments received after such day shall not be considered.

Motions for amendments shall be considered only if the applicants demonstrate that they had been stockholders of the minimum stock ownership for no less than three months prior to the day of the Annual Stockholders' Meeting and that they have held such minimum stock ownership up to and including posting of the motion.

5. Motions and voting nominations by stockholders in accordance with Section 126 (1) and Section 127 AktG

Countermotions which include reasons against a proposal by the Board of Management and/or the Supervisory Board regarding a particular agenda item and proposals from shareholders on the appointment of Supervisory Board members or annual auditors are to be sent to the following address exclusively. Countermotions and nominations sent to another addresses will not be considered.

**LANXESS Aktiengesellschaft
Legal & Compliance Department
Kennedyplatz 1
50569 Cologne
Germany**

**Fax: +49 (0)221 8885-4806
email: hv2015@lanxess.com**

Countermotions and appointment proposals received at the latest 14 days before the Annual Stockholders' Meeting (not counting the date of receipt and the day of the Annual Stockholders' Meeting, i.e by *Tuesday, 28 April 2015, 24:00 CEST*) at the above address with evidence of qualification as a stockholder will, insofar as these are to be made available to the other stockholders, be published immediately on the Internet at www.stockholdersmeeting.lanxess.com. Any potential position statements by the administration will also be published at the stated Internet address.

Further information, in particular about circumstances in which motions and nominations are not to be made available, can be found on the website of the company at www.stockholdersmeeting.lanxess.com.

6. Stockholders' Right to Information in Accordance with Section 131 (1) AktG

Upon request, each stockholder shall be provided by the Board of Management during the Annual Stockholders' Meeting with information about matters concerning the company, including its legal and business relationships with affiliated enterprises and the financial situation of the group and the enterprises included in the consolidated financial statements if this information is required for a proper assessment of an agenda item.

Such information shall be provided in accordance with the principles of diligent and truthful reporting. Under the conditions set forth in Section 131 (3) AktG, the Board of Management may refuse information and under the conditions set forth in Section 16 (4) of the company's Articles of Association, the chairman of the meeting may limit the time stockholders' have to speak and raise questions.

Further information is available on the company's website at www.stockholdersmeeting.lanxess.com.

7. Information on the Company's Website

In compliance with Sec. 124a AktG, this invitation to the Annual Stockholders' Meeting, the documents to be made available, and other information in connection with the Annual Stockholders' Meeting are available on the company's website at www.stockholdersmeeting.lanxess.com.

8. Partial broadcast of the Annual Stockholders' Meeting on the Internet

The company stockholders and other interested parties can follow the speech by the Chairman of the Board of Management at the Annual Stockholders' Meeting on 13 May 2015, subject to technical availability, on the Internet at www.stockholdersmeeting.lanxess.com. The other portions of the meeting will not be broadcast.

Cologne, March 2015

LANXESS Aktiengesellschaft
The Board of Management

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